(STILL CONSIDERED DRAFT: WILL FILE UPDATED CLEAN VERSION)

COMMENTS TO MB 05-311.

COMMENTS on FCC Chairman Martin's Speech at the Phoenix Center US Telecoms 2006 Symposium, December 6, 2006

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The FCC Should Not Attempt a Run-Around of Congress to Pass National Bell-Friendly Cable-Franchise De-facto Legislation.

America is on the wrong broadband path and the FCC's analysis of the situation has been overshadowed by bad data, Bell-funded astroturf groups and a reliance on Verizon, AT&T and the other Bell companies who have proven they can not be trusted with America's Digital Future.

Instead of granting a new national franchise, the FCC should immediately start an investigation. Customer paid billions per state for fiber optic network services they never received and the FCC's data and analysis has covered over a decade of wrongdoing.

America is 16th in broadband and yet Chairman Martin claims that broadband deployment was and is his highest priority. We suggest he then get the facts right and stop trusting the phone companies who have not served America well over the last decade.

Flawed Data and Analysis has Led to Bad Laws: Follow the Money

The FCC has had a series of data problems that has led to bad laws. The FCC currently claims the video competition is America's next step ---it has been America's next step since 1991.

More to the point --the FCC's definition of broadband is 200K, 1/5 of 1 mbps. This definition does not fulfill the Telecommunications Act of 1996 statutory requirements of 'high-quality video' in both directions. In fact, the definition of broadband found state laws from 1992 was a 45mbps service in both directions capable of high definition video.

We have filed a separate complaint for the FCC to fix its definition.

The FCC's advanced network reports have rewritten history. The FCC's Second Video Competition Report outlines how each Bell company filed with the FCC claiming that they would be rewiring cities, states and even whole territories with fiber to the home --- starting in 1993. None of this information appears in the FCC's advanced network reports.

More to the point, it is documented that customers paid billions per-state ---over $200 billion dollars nationwide in excess phone charges and tax perks, and each state decision was driven by the phone companies' filed FCC documents. The FCC has never investigated the financial role of customers.

We have filed a separate complaint to outline the millions of lines of fiber optic services that the Second Video Competition report outlines, but that the FCC's broadband reports never acknowledged and ask the FCC to investigate what happened to these networks and all of the money collected.

Illegally charging customers today? It is now clear that Verizon and AT&T are illegally charging local phone customers for the roll out of their new products --- AT*T's Lightspeed and Verizon's FiOS, --- have been defined as "Interstate Information Service"--- This is cross-subsidization 101 as local phone capital expenditures, paid for by local phone customers, are funding an interstate, information product.

Customers Paid for Open, Ubiquitous Networks.

Ironically, customers paid for open networks that had "common carrier" obligations, meaning they were open to all competitors. And customers paid for ubiquitous networks, guaranteeing any new networks would be rolled out covering the entire territories, rural, urban and suburban equally.

In short, the FCC is planning on granting exclusive rights to the phone companies who have taken control of customer-funded-utilities, removing all of the customers' rights, while charging the customer for the privilege.

The FCC Has Directly Harmed All Competition.

In a series of bad rulings, the FCC stopped the requirement that competitors could get wholesale rates, known as UNE-P, which put AT&T and MCI up for sale. It closed down the right of Internet Providers to use DSL and the new upgraded networks, thus helping to kill off 6000 ISPs. And the FCC has essentially eliminated competition for stand-alone local service, toll call service or long distance service. In short, it has closed out competitors from using the customer-funded "PSTN" – Public Switch Telephone Network.

And now the FCC wants to give these companies even more perks with little, if any obligations?

You Can't Trust these Guys. Hype for Hope.

While the FCC contemplates what should happen next, it is clear America is being over-hyped by the phone companies. The reality is that Verizon had about 100,000 cable/IPTV customers, AT&T had 3,000 according to 3td Q report…. Less than 1% of America.

Worse, these are inferior, expensive products as compared to Asia and other countries. AT&T's service is 6MBPS upstream, 1 MBPS downstream, while Verizon is charging `$179 for 30mbps, 5 upstream. --- Ironically, in most states, these services would not fulfill the state requirements of broadband as they are not high definition video capable in both directions.

To add insult to injury – even if these services show up, Korea and Japan are already selling services 100Mbps in both directions for $40. America will never be a 'techno-super-power but will become a 3rd world broadband provider.

Other Issues: Raising Taxes, Bad Phone Bill Data, and FCC Plays with Astroturf Groups:

First, the FCC's plan raises the Franchise Fee to 5% tax which will be paid by customers.

Nest, while the FCC keeps claiming that prices for phone services keep lowering, Teletruth's surveys of phone bills shows that the FCC's data is totally flawed and doesn't count most charges a customer pays. And there's plenty of documentation that prices have been increasing for both local and long distance, as well as business services.

But the real kicker is that when Chairman Martin announced these new franchise issues, he did it at an event sponsored by a Bell-funded research firm, the Phoenix Center, and keeps quoting their data – which was paid for by the phone companies. As we point out, the FCC's even uses astroturf groups as 'sources' of data and the FCC Consumer Advisory Committee is riddled with both the industry as well as astroturf groups.

In Conclusion: We repeat: America is on the wrong broadband path and the FCC's analysis of the situation has been overshadowed by bad data, astroturf groups, and a reliance on Verizon, AT&T and the other Bell companies who have proven they can not be trusted with America's Digital Future.

Instead of granting a new national franchise, the FCC should immediately start an investigation: Customer paid billions per state for fiber optic network services they never received and the FCC's data and analysis has covered over a decade of wrongdoing.

COMMENTS BY TELETRUTH

1) The FCC Should Not Attempt a Run-Around of Congress to Pass National Bell-Friendly Cable-Franchise De-facto Legislation.

America is on the wrong broadband path and the FCC's analysis of the situation has been overshadowed by bad data, astroturf groups, and a reliance on Verizon, AT&T and the other Bell companies who have proven they can not be trusted with America's Digital Future.

Instead of granting a new national franchise, the FCC should immediately start an investigation: Customer paid billions per state for fiber optic network services they never received and the FCC's data and analysis has covered over a decade of wrongdoing.

2) America is 16th in broadband and yet Chairman Martin claims that broadband deployment was and is the FCC's highest priority.

In the remarks of FCC Chairman Kevin J. Martin at the Bell-funded Phoenix Center US Telecoms 2006 Symposium, December 6, 2006, you state:

> "Since arriving at the Commission, I have made broadband deployment my highest priority at the Commission. Broadband technology is a key driver of economic growth."

America is 16th in the world in broadband because the Bell companies never delivered. And now the FCC is considering giving these companies new incentives?

We agree that broadband technology could be a driver of economic growth. The problem is – you are listening to the phone companies' hype, and do not have the data required to make an accurate assessment. America is 16th in broadband and the FCC has made broadband a 'priority' over the last 5 years? Maybe it's time to rethink the situation.

Let's examine some facts:

3) The FCC's Definition of Broadband ---"200K" in One Direction --- Does Not Fulfill the Telecom Act's Statutory Requirements of 'High-Quality Video' In Both Directions. Broadband Deployment in America? Tin Cans and String.

The FCC is now claiming that video services are the next best thing.

> "The Commission has noted that telephone company entry into the video marketplace has the potential to advance both the goals of broadband deployment and video competition."

It's a shame the FCC didn't read the Telecom Act of 1996, nor the First and Second Video Competition report or every state ruling --- starting in 1993. Video was supposed to be the driving force for the last decade. The FCC's previous administrations just didn't do their job.

The FCC has defines broadband as 200K in one direction – 1/5 of the speed of 1 mbps. This definition fails to meet the statutory requirement of the Telecommunications Act, Section 706, which defines broadband as the ability to offer high-quality video in both directions.

> "SEC. 706. ADVANCED TELECOMMUNICATIONS INCENTIVES.

> (c) DEFINITIONS- For purposes of this subsection:
> "ADVANCED TELECOMMUNICATIONS CAPABILITY- The term `advanced telecommunications capability' is defined, without regard to any transmission media or technology, as high-speed, switched, broadband telecommunications capability that enables users to originate and receive high-quality voice, data, graphics, and video telecommunications using any technology."

We have just filed a separate complaint about this failure of the FCC's definition to match the statutory requirements and are requesting the FCC immediately address this issue.

See: http://www.newnetworks.com/FCC200Kdefinition.htm

In fact, America's broadband has gone backwards. Here's the definition of "Broadband" from 1992… Notice ---high definition video at 45MBPS in both directions. (Verizon- New Jersey Bell)

> "Broadband Digital Service — Switching capabilities matched with transmission capabilities supporting data rates up to 45,000,000 bits per second (45mps) and higher, which enables services, for example, that will allow residential and business customers to receive high definition video and to send and receive interactive (i.e., two way) video signals."

200K can't do high definition video. The FCC's definition fails the definition of broadband in the Telecom Act written in 1996, and in the states in 1992. America was promised to have speeds of 45mbps. Progress?

4) Flawed Analysis that Created a Cover Up of America's Broadband History.

Broadband, circa 1996 --- Video was the standard that should already have been delivered. The FCC's previous and current administrations rewrote not only the definition of broadband, but also the history of broadband.

In every "Advanced Network Report", the FCC neglected to outline what happened to the 86 million homes that should already have been upgraded to fiber optics capable of video.

We note: We have been outlining this issue in our FCC filings since 1999.

http://www.newnetworks.com/alonefccrefute4.html

Here is a collection of just some of the Bells' fiber based, cable broadband plans from the FCC's Video Competition Report.

SEE: http://www.teletruth.org/docs/FCCvideocompetition1995.doc

By 1996 the phone companies had applied for 24 video dialtone applications, amounting to 8.6 million homes being rewired to offer cable television competition. Some of the applications were then withdrawn.

Second complaint. This data clearly shows that America was promised a fiber optic future and none of this data ever ended up in the FCC's advanced network reports --- The FCC did a cover up of the history of broadband. (NYNEX is now part of Verizon. Pac Bell is now part of AT&T) Here are just two examples.

> "NYNEX's March 1995 authorization for two VDT systems, one in Rhode Island that will pass 63,000 homes and one in eastern Massachusetts that will pass 334,000 homes. NYNEX's applications, filed in July of 1994, proposed completion of construction in 2010."

> "PacBell's August 1995 authorization for four VDT systems in California, which will pass 490,000 homes in San Francisco; 360,000 homes in Los Angeles; 259,000 homes in San Diego; and 210,000 homes in Orange County, California. PacBell's applications, originally filed in December 1993, proposed an advanced, wire based video and telephone network that would be constructed sometime in 1996 at an expense of approximately $16 billion.'"

What happened to the billions per state that was charged to customers for these deployments? How did the phone companies continue to make 'promises' that they would never keep, even though kept the money? Where's the FCC's follow-on data and analysis in any of its advanced networks' reports? NYNEX claimed it would have completion of their networks by 2010. Pac Bell would be spending $16 billion – How much did they spend?

Section 706 of the Telecom Act required the FCC to see if 'advanced networks' were being deployed on a timely basis.

SEC. 706. ADVANCED TELECOMMUNICATIONS INCENTIVES.

> (b) INQUIRY- The Commission shall, within 30 months after the date of enactment of this Act, and regularly thereafter, initiate a notice of inquiry concerning the availability of advanced telecommunications capability to all Americans (including, in particular, elementary and secondary schools and classrooms) and shall complete the inquiry within 180 days after its initiation. In the inquiry, the Commission shall determine whether advanced telecommunications capability is being deployed to all Americans in a reasonable and timely fashion. If the Commission's determination is negative, it shall take immediate action to accelerate deployment of such capability by removing barriers to infrastructure investment and by promoting competition in the telecommunications market.

It is clear the FCC failed to examine this issue. It has not only failed to examine the conclusion of the aforementioned deployments – almost nothing was ever built – but also didn't track what has been happening in every state deployment.

Take New Jersey. According to current state law, known as "Opportunity New Jersey", by 2006, 80% of the state is supposed to be capable of 45mbps in both directions, 100% by 2010 --- faster than FiOS. Currently, Verizon has applied and is getting a cable franchise, even though the agreement directly conflicts with what is currently on the law in New Jersey --- which outlines a specific timeline and commitments that were never met.

Here's the Verizon, Opportunity New Jersey timeline:
http://www.newnetworks.com/OpportunityNewJerseyFiber.htm
Case Study of Verizon, New Jersey:
http://www.teletruth.org/docs/casestudyNJVerizon.pdf

5) Customers Funded the Networks--- New Financial Incentives for the Bells Are Bogus.

Chairman Martin wrote: "The construction of modern telecommunications facilities requires substantial capital investment."

We agree and so the actual funding of this construction now needs to be investigated and customers repaid for past expenses. Virtually every video-dialtone application was backed by changes in state law that gave the phone companies billions per state in excess profits -- read higher phone rates---to pay for this new construction.

In the case of New Jersey, customers paid over $5 billion for these networks that never showed up as discussed as part of our testimony in front of the New Jersey Board of Public Utilities.:

http://www.newnetworks.com/teletruthtestimonyverizon.htm

By 2006, we estimate that over $200 billion has been collected --- about $2000 per household – for fiber optic networks they never received. See: http://www.newnetworks.com/broadbandscandals.htm

If the FCC was supposed to monitor whether broadband was proceeding in a timely and reasonable fashion, it obviously would have discussed this plan, as it extends to 2010 and customers are being charged for non-existent service deployments. More to the point, the FCC should have acknowledged that customers have been the leading investor in the networks.

6) Direct Conflict: Are Customers Paying for "Interstate Information Services" -- Verizon's FiOS and AT&T's Lightspeed --- Illegally?

Chairman Martin states "Telephone companies are investing billions of dollars to upgrade their networks to provide video".

Not true. Customers are paying billions and have nothing to show for it. Built into current rates is a defacto broadband tax being collected in each state. When state laws were rewritten to fund the video-dialtone-broadband services, the state granted new, alternative regulations, where customers, through higher phone rates and tax perks, would be funding these new networks.

Our broadband complaints, filed in Pennsylvania (2004) and Massachusetts (1999) against Verizon, outlined the billions being collecting.

See:
Pennsylvania: http://www.teletruth.org/PennBroadbandfraud.html
Massachusetts: http://www.teletruth.org/PennBroadbandfraud.html

Economics & Technology, a respected market research firm, has also written about the billions collected in Pennsylvania and New Jersey, independently corroborating our conclusions.

Verizon, NJ, http://www.econtech.com/library/eti_nj.pdf
Verizon, Pennsylvania
http://www.teletruth.org/docs/LLS_PA_Senate_Testimony_Sept_10_2002.pdf

Besides the data we previously presented, Ed Whitacre of SBC-AT&T stated that customers are paying for anything that AT&T builds as 'incremental capital investment'.

> "SBC now expects that three-year deployment costs for Project Lightspeed will be approximately $4 billion, at the low end of its previously announced range of $4 billion to $6 billion. In addition, there will be customer-activation capital expenditures of approximately $1 billion spread over 2006 and 2007. Because a significant portion of capital expenditures for Project Lightspeed will replace and refocus ongoing spending for its current network, SBC expects incremental capital investment for this project to be relatively small."

Isn't it cross-subsidization to have local phone customers pay for fiber optic networks that are Interstate Information services, as defined by the FCC? Did the Bell companies, using this excess profits generated from their fiber optic agreements, pay for their long distance, an interstate service or DSL deployment, also classified as an Interstate Information Service? It is clear that they have paid billions per state – about $2000. The money definitely did not go into building the fiber optic networks as promised.

7) Franchise vs FCC Bad Competition Decisions:

The FCC has neglected to actually examine what customers paid for, what the commitments were, and what was expected. Instead, the FCC has helped to close down competition on multiple levels. Granting a franchise when competition does not exist is ridiculous.

The FCC closed down competition, thus cause -Anti-neutrality.

Chairman Martin wrote:

> "We have removed legacy regulations, like tariffs and price controls, that discourage carriers from investing in their broadband networks, and we worked to create a regulatory level playing-field among broadband platforms."

This is embarrassing. The reason for the FCC approved mergers of Pacific Bell-Southwestern Bell-Ameritech-SNET-AT&T, was so that the phone companies to compete in each other's territories – a level playing field for competitors. And the Telecommunications Act of 1996 was written to open the networks to competition so that new services would be created, innovation would flourish and customers had choices in their providers.

However, the FCC's hasn't tracked 3 primary facts:

a) 42% drop in competitive lines *(UNE-P) has occurred since the FCC's decision to remove the obligations by the phone companies to open their networks to competition. Even though this obligation was required before the Bell companies could enter long distance
b) The FCC hasn't tracked how there is no longer serious long distance competition, as closing the wholesale rates put the two largest companies, AT&T and MCI up for sale. And they no longer compete or offer competitive products to residential customers.
c) The FCC hasn't tracked the fact that 6000 Internet providers have been forced out of business because the FCC removed both line-sharing as well the Bells' requirements to offer wholesale rates to ISPs. In fact, the FCC used 8-year-old data in its ISP analysis.

What the FCC did was to create two monopolies, two closed networks, even though the networks were supposed to be open to all competition --- they are America's infrastructure and utilities, and the FCC eliminated competition, not through having companies compete, but through picking favorites – the Bells winning.

The Phoenix Center, in 2002, wrote that creating a duopoly was a bad idea. (*note. This is before they received funding from the Bell companies.)

> "In the end, the debate over the Tauzin-Dingell legislation is about whether Americans will have multiple competing providers of broadband services. The idea that the cable and telephone companies are all the competition we need is now an antiquated myth. Both are monopolists in their sphere."

Instead, that is exactly what happened. We now have the Bell monopolies for wireline service. In our BellSouth-AT&T merger comments we outline how each form of competition has been eliminated.

SEE: http://www.newnetworks.com/TeletruthAT&TBellSouth2.htm

8) Customers Paid for "Open Networks".

It is clear that the FCC doesn't have a clue that customers funded open networks, and that the FCC has agreed to use the agency to play favoritism but making rules that only helped the incumbent remove competition.

This wasn't always the case: The FCC's "video dialtone" decision clearly laid out that these networks had "common carrier" provisions for use by competitive services.

> "In the Video Dialtone Order, released in August 1992, the Commission established the video dialtone regulatory framework. The Commission defined video dialtone as the provision of a basic common carrier platform to multiple video programmers on a non-discriminatory basis. A "basic platform" is a common carriage transmission service that enables customers to gain access to video programming carried on that platform. If a local telephone company provides such a basic platform, it may also provide enhanced and unregulated services related to the provision of video programming."

"Common Carriage" is the long held belief that when networks that are funded by customers,
especially when they are essential facilities that cannot be easily duplicated, the public interest is best served when these networks remain open for competitors to use. The Commission also made sure that these networks would not fund other Bell businesses through phone rates or
discriminate against competitors by the companies controlling the wires.

In fact, the Telecom Act of 1996, renaming video dialtone, called this service "Open Video Services" OVS, which required the phone companies to open their networks as "common carriers'.

The Bell companies could have entered cable TV at any time over the last decade. They decided not to do so because:

a) The promised commitments were based on equipment that didn't work
b) They waited for the FCC to remove the competitors so that they could have exclusive, private control of publicly funded networks.

However, we need to stress one point again… Customer Funded Open Networks.

In every state that granted the Bell companies the ability to use local phone rates to upgrade their networks to offer cable programming, the customer was guaranteed choice through open network as they were the ones funding the upgrades through higher rates.

The New Jersey BPU wrote:

> "The Commission granted the application subject to conditions that will help protect against improper cross-subsidization and discrimination by New Jersey Bell, and help ensure that sufficient video dialtone capacity is available for video programmers."

9) Customers Paid for Ubiquitous Service, Not "We're The Phone Company. We Control Who Gets Service".

The FCC's franchise plan has no build-out requirements, meaning that the customers and municipalities and each state has not say to where or when some city or hamlet will be upgraded – nor any guarantee they will ever see fiber-based broadband in their lifetime.

In Pennsylvania, Verizon commitments for 45mbps in both directions had not only a timeline showing that 50% of the state should have been rewired, but also the obligation was for rural, suburban and urban areas equally:

See: http://www.newnetworks.com/PennUpdatedComplaint.htm

> "In view of Bell's commitment to providing 45 Mbps for digital video transmission both upstream and downstream, we look forward to Bell's providing this two-way digital video transmission at 45 Mbps."

> "Verizon PA has committed to making 20% of its access lines in each of rural, suburban, and urban rate centers broadband capable within five

> days from the customer request date by end of year 1998; 50% by 2004; and 100% by 2015."

Customer funding required that the customers who were ALL paying for service would ALL have an equal chance to receive services.

10) Phone Company Fraud Continues Unabated, Un-Challenged.

One of the other issues the FCC has failed to address is not only the timely-manner of the PA broadband deployment, but also that the phone companies can say anything. In the previous quote from the Pennsylvania Public Service Commission, 50% of PA should already be rewired.

However, in a press release dated December 22, 2003, the nebulous fiber-based roll outs are only now starting "initial test deployments".

> "Verizon will **continue performing lab and technology interoperability tests** on the FTTP (fiber to the platform) systems, ensuring the new technology works properly with existing and new Verizon operations support systems. In the first half of 2004, Verizon expects to begin **initial test-deployments in at least two communities**. By the end of the year, the company expects to deploy the new technology in over 100 central offices across nine states." (Emphasis added)

Where is the investigation? 50% of the state vs just starting deployments? FiOS's deployment is not simply a decade late. It is a crippled, closed, network, illegally funded by local phone customers, and now the FCC wants to exasperate the harms to customers by not recognizing what they failed to miss because of bad data and analysis.

You Can't Trust these Guys.

11) Timeline of Expectations from the Bell Companies: Hype for Hope.

The hype far outstrips the reality. According to Verizon, FiOS is currently in 100,000 homes offering cable TV and AT&T's Lightspeed had 3,000 end of 3rd quarter, 2006. And while there are announcements after announcements, it is clear from history that the hype will far exceed any serious deployments.

For example, AT&T claimed in 2004 that it would have 18 million homes by 2007, then updated to 19 million homes by 2008. And it still is having 'launching issues.

On a timeline --- these deployments will not cover most of America in 5 years.

12) FiOS and Lightspeed Networks are Not Competitive with the Rest of the World.

The service and costs?

- Verizon FiOS subscribers get speeds of 30Mbps/5Mbps for $179.95 per month and 15Mbps/2Mbps for $44.95 per month
- AT&T's service is 6Mbps down and a 1Mbps up.

In Korea and Japan, kids get to play with services that deliver 100 Mbps in both directions for $40 – the price of the inferior DSL services, which goes over the old copper wiring and is 100+ times slower.
http://www.newnetworks.com/fioslightspeed.htm

In comparing the cost per-megabit, the US is $6.63 for FiOS, as compared to $.34 to $.41 cents in Korea and Japan. DSL pricing per megabit is well over $23.42 per megabit. If this is the best we get, in 5 years America will be farther behind.

The irony? We were Number 1 in the world in the Internet, but lost the lead because our infrastructure couldn't handle the next generation services, putting other countries in the lead to innovate.

Other Issues: Raising Taxes, Bad Phone Bill Data, and Bell-Astroturf Groups:

13) Raising Taxes: The Plan Proposed by the FCC Raises Taxes.

According to the FCC's franchise proposal, a 5% 'franchising fee'/tax will now be applied. It will, of course, be paid directly by customers as a 'pass-through'.

14) The FCC's Data Is Flawed Pertaining To Phone Bill Charges,

Chairman Martin quotes the Phoenix Center "Indeed, in a 2005 Policy Paper, the Phoenix Center found that: "With the marginal cost of providing a telephone call in free-fall," And the FCC claims that local and long distance prices have been falling.

> "Since 1996 the prices of every other communications service have declined while cable rates have risen year after year after year."

I guess the Commission doesn't actually pay the bills. The marginal 'cost' of providing long distance may be true, but it has nothing to do with actual customer charges. Teletruth's survey data from thousands of customers tells a much different story. Since 1996, the Universal Service went from 3.9% to over 10% on average, the FCC raised the FCC line charge, from $3.50 to a cap of $6.50 per line per month, and the price of every service has gone up, not down. In fact, since 1980 there's been a 426% rise in New York City phone bills.

http://www.newnetworks.com/NYClocal%20charges19802006.htm

And long distance service? Again, the FCC's data is so flawed that it claims that the average bill is $8 and the average call cost $.06 cents. – If this is true, then no one needs a 'package', as it would be cheaper to buy ala carte.

Teletruth will be filing a new complaint about the FCC's phone bill data. On the long distance front, we found that 30% of the population makes less that 15 minutes of calls but can pay $.50-$1.00 a minute because every fee and surcharge has gone through the roof. There is now a cost recovery fee, an instate fee, raises in the Universal Service Fee, Minimum Usage fees and plan fees. The FCC lacks the data to refute any of these issues and examine their impacts.

And AT&T? Well, wasn't competition supposed to lower rates? This email (December 13th, 2006) outlines major increases for AT&T business customers.

> "Effective January 1, 2007, AT&T will modify rates for certain interstate and international business voice services. Below is a summary of the rate revisions:
>
> - · The **Interstate** usage rates will increase by 17%-20% for AT&T Business Network (ABN) Service
> - · The **Interstate** usage rates will increase by approximately 20% for AT&T Business Network-Uniplan (ABN-U) Service
> - · The **International** usage rates will increase by approximately 20% for AT&T Business Network (ABN) Service

Maybe the FCC should start collecting accurate data before it creates new harmful laws.

15) FCC Filled With Astroturf Groups as Sources: Let the Bullies Take Over.

The FCC has been fooled and has not examined why we are 16th in broadband --- The phone companies lied to the American public about their ability to rewire America, starting in 1992.

But the truth is – the entire landscape for Telecommunications and broadband has been overtaken by astroturf groups, co-opted groups and biased research.

- Astroturf: Fake grass-roots set up by the phone companies for their own agenda, but to look like authentic "consumer groups",
- Co-opted groups: non-profits who receive large amounts of donations from a corporation then spout the corporate line:
- Biased-research firms: firms that specialize in writing and substantiating the phone companies' position, even if the data doesn't match the facts.

And they are everywhere. Why did Chairman Martin announce the Bell franchising proposal at a Bell funded astroturf-group event? While the Phoenix Center once offered well founded opinions, they are currently funded by the phone companies.
http://www.keepitlocalpa.com/index.cfm?objectid=1244AE41-F1F6-6035-BCED7180D233F3F9

Phoenix Center for Advanced Legal & Economic Public Policy Studies

• "'Everyone has to make a living in this town,' Phoenix Center Executive Director Lawrence Spiwak said in reference to contributions from AT&T and the Bells." [National Journal's Technology Daily, 11/10/1005]
• "Spiwak said the Phoenix Center is funded by 'the old AT&T, the new AT&T, wireless companies, software providers' and other Bell competitors." [Technology Daily, 7/26/06]
• "In a telephone interview last week, Lawrence Spiwak, president of the Phoenix Center, acknowledged receiving funding from AT&T and Verizon Communications." [Television Week, "Cable Group: Telcos Paying for Support," 2/27/06]

Ironically, the Phoenix Center, once the champion of competition is now just another Bell-think-tank. Here's the 180 from 2002.

> "In the end, the debate over the Tauzin-Dingell legislation is about whether Americans will have multiple competing providers of broadband services. The idea that the cable and telephone companies are all the competition we need is now an antiquated myth. Both are monopolists in their sphere."

Chairman Martin writes: "The Phoenix Center has published several studies on the potential for franchise processes to inhibit competition."

Really? What has inhibited competition is the FCC's decisions and allowing the phone companies carte blanche for their regulations.

This isn't the only group who has been active in discussing broadband and telecom issues that the FCC has raised their credibility. Teletruth previously filed a complaint against the FCC Consumer Advisory Committee because there are other Bell-funded astroturf and co-opted groups directly related to the lobbying firm Issue Dynamics, including TRAC and APT. Also, TRAC is listed as a source for phone bill information.

See: http://www.teletruth.org/consumeradvisory.html
More: http://www.newnetworks.com/skunkworks101.html

16) You Can't Trust These Guys: FCC's Inability to Enforce Laws Or Merger Conditions.

"ensure the benefits of increased video competition, namely lower prices for consumers, are available to as many Americans as possible as quickly as possible."

Any ethical person should be demanding full audits of the money already collected and the promises made, and correct the FCC's inability to collect accurate data and provide an objective opinion.

Worse, however, is the FCC's failure to enforce laws and hold these companies accountable for their statements and commitments. It is the reason America's broadband and competitive landscape is in serious trouble.

A simple example: By 2003, SBC-Ameritech was supposed to have been competing in 30 cities outside their own regions, GTE-Verizon was supposed to be in 24 cities outside their own region. This is what they told the American public in order to allow the mergers to go through.

What happened to the competition out-side their regions? There was no enforcement of the mergers to have the actual outcome equal the promises and commitments made.

During these and previous mergers, SBC-Ameritech and GTE Verizon closed the fiber optic deployments in virtually every state, from Ohio and Chicago, New Jersey.

We in fact, filed a complaint outlining how the Bell companies had gamed the regulatory system to merge, and it directly harmed the broadband deployments and competition.
http://www.newnetworks.com/FTCcomplaintSBCVerizon.htm

And broadband? By 2008 AT*T claims it will be in 19 million homes. --- What quarantines are there that they will do anything past a press release? As we suggested, the FCC could make the AT&T-BellSouth merger be contingent on rolling out the 19 million homes… but of course, the FCC would never be able to actually enforce any law it created and would also be sued by the phone companies if they tried.

Trust these guys now? Give them the ability to pick and choose who gets service or allow them to roll out inferior products at high prices or, as history shows, may never deploy anything once the ink is dry?

It is now clear that the Bell mergers have been a disaster and failed to bring Bell competition. It is also clear that after each merger the Bells closed down their deployments. By making these companies larger, they now harm more customers.

If AT&T doesn't upgrade, it now harms 13 states --- Add the BellSouth states and you have half of the US capable of being screwed by one local phone company…

And if Verizon decides to stop, it harms, with the exception of Qwest, the other half of the US.

And you now want to trust these guys?

TeleTruth (STILL CONSIDERED DRAFT: WILL FILE UPDATED CLEAN VERSION)

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